



Senate

File No. 714

General Assembly

February Session, 2004

(Reprint of File No. 118)

Substitute Senate Bill No. 428
As Amended by Senate
Amendment Schedule "A" and
House Amendment Schedule "A"

Approved by the Legislative Commissioner
May 1, 2004

AN ACT INCREASING THE PARI-MUTUEL TAKEOUT RATE FOR OFF-TRACK BETTING AND DOG RACING EVENTS.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Subsection (d) of section 12-572 of the general statutes is
2 repealed and the following is substituted in lieu thereof (*Effective from*
3 *passage*):

4 (d) (1) If the multiple forms of wagering known as daily double,
5 exacta and quinella are permitted by the board, the division or any
6 person or business organization operating the off-track betting system
7 shall distribute all sums deposited in the pari-mutuel pool for any such
8 event to the holders of winning tickets therein, less nineteen per cent of
9 the total deposits in such pool plus the breakage to the dime.

10 (2) If multiple forms of wagering on three or more animals are
11 permitted by the board, the division or such person or business
12 organization operating an off-track betting system, shall retain
13 [twenty-three] twenty-four and one-half per cent of the total sums

14 deposited in the pool for such event, plus the breakage to the dime.

15 Sec. 2. Subsection (c) of section 12-575 of the general statutes is
16 repealed and the following is substituted in lieu thereof (*Effective from*
17 *passage*):

18 (c) (1) Except as provided in subdivision (2) of this subsection, each
19 licensee conducting horse racing events under the pari-mutuel system
20 shall distribute all sums deposited in any pari-mutuel program to the
21 holders of winning tickets therein, less seventeen per cent of the total
22 deposits plus the breakage to the dime of the amount so retained; each
23 licensee conducting jai alai events shall distribute all sums deposited in
24 any pari-mutuel program to the holders of winning tickets therein, less
25 a maximum of eighteen per cent of the deposits in the win, place or
26 show pools and less a maximum of twenty-three per cent of the
27 deposits in all other pools plus the breakage to the dime of the amount
28 so retained; each licensee conducting dog racing events shall distribute
29 all sums deposited in any pari-mutuel program to the holders of
30 winning tickets therein, less a maximum of [eighteen] nineteen per
31 cent of the deposits in the win, place or show pools and less a
32 maximum of [twenty-three] twenty-seven per cent of the deposits in all
33 other pools plus the breakage to the dime of the amount so retained,
34 or, shall distribute all sums deposited in all of its pari-mutuel
35 programs conducted on any day to the holders of winning tickets
36 therein less twenty per cent of the total deposits plus the breakage to
37 the dime of the amount so retained, provided on and after July 1, 1992,
38 each licensee conducting dog racing events on July 5, 1991, shall
39 allocate four per cent of all sums deposited in any pari-mutuel
40 program to purses, one-quarter of one per cent to capital expenditures
41 for alterations, additions, replacement changes, improvements or
42 major repairs to or upon the property owned or leased by any such
43 licensee and used for such racing events, and one-quarter of one per
44 cent to promotional marketing, to reduce the costs of admission,
45 programs, parking and concessions and to offer entertainment and
46 giveaways. Each licensee conducting dog racing events shall, on an
47 annual basis, submit to the division certified financial statements

48 verifying the use of such allocations for purses, capital improvements
49 and promotional marketing. (2) Each licensee conducting racing or jai
50 alai events may carry over all or a portion of the sums deposited in any
51 pari-mutuel program, less the amount retained as herein provided, in
52 the twin trifecta, pick four or pick six pari-mutuel pool to another pool,
53 including a pool in a succeeding performance.

This act shall take effect as follows:	
Section 1	<i>from passage</i>
Sec. 2	<i>from passage</i>

The following fiscal impact statement and bill analysis are prepared for the benefit of members of the General Assembly, solely for the purpose of information, summarization, and explanation, and do not represent the intent of the General Assembly or either House thereof for any purpose:

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Effect	FY 05 \$	FY 06 \$
Spec. Revenue, Div. of	GF - Revenue Loss	22,000	22,000

Note: GF=General Fund

Municipal Impact:

Municipalities	Effect	FY 05 \$	FY 06 \$
Bridgeport; Plainfield	Revenue Loss	18,000	18,000

Explanation

State and Municipal

The bill as amended is anticipated to result in a General Fund revenue loss of \$22,000 per year and an aggregate revenue loss of \$18,000 per year to the municipalities that host pari-mutuel and off-track betting facilities. This revenue loss is due to an expected decrease in handle of approximately 3% from the Plainfield Dog Track, the Bridgeport Dog Track, and Connecticut OTB. Total handle is anticipated to decrease as a result of an increased takeout rate because there will be less money returned to bettors for re-wagering.

Senate "A" (1) increases the maximum takeout rate in the original bill from 26% to 27% for certain dog racing pools, (2) lowers OTB licensees' maximum takeout rate in the original bill from 26% to 25% for exotic wagering, and (3) and eliminates the bill's July 1, 2006 expiration date for these two changes. The net result of these changes is to reduce the General Fund revenue loss of the original bill by approximately \$1,000 per year and reduce the municipal revenue loss by approximately \$1,000 per year.

House "A" reduces the maximum takeout rate for CT OTB from 25% to 24.5%. This change reduces the anticipated General Fund revenue loss by \$4,000 per year. This change also reduces the anticipated municipal revenue loss by \$4,000 per year.

OLR BILL ANALYSIS

sSB 428 (as amended by House "A" and Senate "A")*

AN ACT INCREASING THE PARI-MUTUEL TAKEOUT RATE FOR OFF-TRACK BETTING AND DOG RACING EVENTS**SUMMARY:**

This bill increases the takeout rate (the amount not returned to bettors) for certain types of bets at off-track betting (OTB) and dog racing facilities. By law, parimutuel licensees must distribute all the money in the parimutuel pool, less the takeout and breakage to the dime, to holders of winning tickets. ("Breakage to the dime" is the odd amounts left over after each payoff is rounded down to the next dime.) Under current law, dog racing licensees retain a maximum of 18% for win, place, or show pools and a maximum 23% for other pools. The bill increases the maximum takeout for win, place, or show pools to 19% and the maximum for other pools to 27%.

The bill increases the maximum takeout rate for OTB licensees from 23% to 24.5% of wagers made on three or more animals ("exotic wagering").

*Senate Amendment "A" (1) increases the maximum takeout rate in the original bill from 26% to 27% for certain dog racing pools, (2) lowers OTB licensees' maximum takeout rate in the original bill from 26% to 25% for exotic wagering, and (3) and eliminates the bill's July 1, 2006 expiration date for these two changes.

*House Amendment "A" lowers OTB licensees' maximum takeout rate for exotic wagering from 25%, as passed by the Senate, to 24.5%.

BACKGROUND***Legislative History***

On April 6, the Senate referred the bill to the Finance, Revenue and Bonding Committee, which reported it favorably on April 7 without changes.

EFFECTIVE DATE: Upon passage

COMMITTEE ACTION

Public Safety Committee

Joint Favorable Substitute

Yea 18 Nay 3

Finance, Revenue and Bonding

Joint Favorable Report

Yea 40 Nay 4